

As the consumer products landscape becomes increasingly complex, wholesalers operating in the industry are facing an array of new challenges and opportunities. Due to regulations and the changing competitive environment, wholesalers must quickly adopt new tools and resources in order to offset costs and remain relevant. Strategically employing analytics will enable wholesalers to optimize their supply chain and secure a competitive advantage. Successful organizations are also adopting mobile solutions that allow for greater efficiency. Additionally, the growth of the direct to consumer model will require wholesalers to reevaluate their approach to distribution.



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TRACEABILITY

Federal regulations, such as the Food Safety Modernization Act (FSMA) are requiring food and beverage companies to implement traceability solutions.

As a result, traceability requirements are also being imposed on wholesalers, increasing the cost to do business in an industry that is already challenged with extremely thin margins and pricing pressures from retailers and suppliers. Wholesalers working to improve supply chain visibility should consider elements such as recall size, response time, data integrity and customer confidence to remain competitive. They should also explore technologies that leverage product and location information to proactively identify issues.

2 ANALYTIC

The proper use of analytics could provide a significant advantage for wholesalers aiming to become distribution leaders. While the adoption of analytics is presently widespread, many believe the power of analytics will revolutionize their businesses in the near future.

Analytics offer wholesalers a variety of benefits, such as predictive analytics for purchasing optimization to descriptive analytics for competitive benchmarking. To capitalize on analytics capabilities, wholesalers should focus on the tools and recources required to house and interpret vast amounts of data. Increased intelligence from the rapid adoption of analytics will offer significant competitive advantages to wholesalers vying for greater market share. As the growth of online sales bypasses that of brick and mortar stores, wholesalers are feeling the pressure. Manufacturers such as Adidas, Coach and Sony initiated direct to consumer (D2C) sales years ago. While the consumer products & retail industries may be well-suited for D2C, will new models, like online grocery shopping, continue to gain traction? Amazon's innovative same day grocery delivery service, Amazon-Fresh, has been testing this idea, perhaps establishing a precedent for other wholesalers and retailers.

Wholesalers that focus on improving business processes and refining technology strategies will benefit from increased pricing control, brand recognition, proximity to customers and new product and market testing.



04 THE MOBILE TRANSFORMATION

Some of the greatest opportunities for wholesalers are in roles where traditional paper-based processes still exist today, specifically within operations. Mobile technologies offer wholesalers the flexibility and accessibility to data that was only previously accessible in the back office. However, mobility should not be adopted for the sake of mobility, but for the desire to transform existing processes.

Mobile technology facilitates faster decision-making and operational efficiency, offering decision makers real-time intelligence. However, implementing services that ensure the security and integrity of data beyond the corporate firewalls can be a major challenge. Wholesalers that thoroughly evaluate their technologies and processes will experience the greatest mobility benefits.



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- Wholesale Distribution Industry Outlook
- Navigating the Retail Revolution
- 2015 Consumer Products Trends



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